



School District of Lake County



Investment Performance Review For the Quarter Ended September 30, 2017

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Tab I

QUARTERLY MARKET SUMMARY

SUMMARY

- For the first time since 2007, all 45 national economies in the OECD (Organisation for Economic Co-operation and Development) are expanding. Against the backdrop of historically low interest rates, reasonably favorable economic data, and positive consumer, business and investor optimism, the U.S. economy is on track to grow at a modest pace in the range of 2% to 2.5% annually.
- Although a slow rate of inflation remains a conundrum, the Federal Reserve (Fed) is pursuing monetary policy normalization. At its September meeting, the Federal Open Market Committee (FOMC) announced a tapering of its balance sheet securities holdings to begin in October under the terms of the previously released normalization principles and plans. In addition, the updated “dot plot” projection indicated an expectation for one additional rate hike in 2017.
- Slow progress on the policy front in Washington has somewhat tempered investors’ earlier exuberance, but markets retain an air of complacency. Numerous geopolitical risks loom, however, including mounting nuclear tensions with North Korea, trade issues related to NAFTA and China, border and immigration issues, ongoing conflicts with Russia, and “Brexit” implementation in the UK.
- U.S. equity markets marched to new heights with the S&P 500 rising 4.5% during the quarter. All three major U.S. indices booked record highs, with the telecommunications, information technology, and energy sectors in the lead.

ECONOMIC SNAPSHOT

- Second quarter gross domestic product (GDP) accelerated to an annualized growth rate of 3.1%, up from the prior quarter’s 1.4% pace. Consumer spending and business investment led the increase. Heavy Gulf Coast damage from recent hurricanes are expected to handicap near-term growth and create “noise” in upcoming economic data, but weather-related impacts are usually transitory.
- The U.S. economy added less than 100,000 jobs per month (on average) in the third quarter, but the unemployment rate fell to 4.2%, the lowest rate since 2001. Jobless claims spiked following the hurricane disruption, but the uptick is expected to be temporary. In a positive sign, wage growth rose 2.9% year-over-year through September, but may also have been distorted by the hurricanes.
- Inflationary pressures remained subdued. The personal consumption expenditures price index, excluding food and energy (core PCE) rose only 1.3% year-over-year in August, well short of the Fed’s 2% target, the explanation for which continues to elude Fed officials. Absent evidence that the weakness is permanent, however, the Fed’s outlook remains stable.
- On the global front, growth in Europe has picked up, with unemployment in some countries at record lows, while inflation (outside the UK) remains very muted.

INTEREST RATES

- Shorter-term Treasury yields (five years and under) rose in the third quarter on the expectation of further monetary policy tightening. Long-term Treasury yields (10 years and longer) rose just a couple basis points. This continued the trend of modest flattening of the Treasury yield curve since the beginning of the year.
- The two-year Treasury yield ended the quarter higher by 11 basis points (bps) (0.11%) to 1.49% -- the highest level since 2008 -- while the 10-year Treasury yield rose only 2 bps (0.02%) over the quarter to close at 2.33%.
- In the money market space, federal debt ceiling concerns resulted in a temporary inversion of the short-term yield curve. The higher risk associated with Treasuries maturing in early October, the expected date for the U.S. Treasury to run out of borrowing capacity, translated into higher yields for those maturities. But, the yield curve quickly normalized after Congress passed an extension to the debt limit until December, along with a hurricane aid package, and a temporary resolution to fund the government for three months.
- In the short-term credit markets, yields on commercial paper and bank CDs rose in lockstep with expectations about future Fed rate hikes.

SECTOR PERFORMANCE

- U.S Treasury index returns were positive for the third quarter. Flattening of the yield curve caused longer maturities to outperform shorter ones, as the increase in short-term rates modestly detracted from returns for the quarter.
- Federal agencies outperformed comparable-maturity Treasuries, as the sector’s already-narrow yield spreads tightened even further on the back of limited supply and persistent investor demand.
- Corporate yield spreads continued tightening, generating outperformance over comparable-maturity Treasuries for the quarter and even more so year-to-date. Strong earnings growth and balance sheets continue to provide a good foundation for the sector. Yield spreads are narrow, which limits their upside, but the incremental income on corporates is an important contributor to incremental return.
- After three straight quarters of underperformance, the mortgage backed securities (MBS) sector performed well in the third quarter, outperforming Treasuries and traditional agencies.
- High quality asset-backed securities (ABS) also performed positively relative to Treasuries. Further spread compression in the ABS sector is likely to be limited, given that current level spreads sit at historic tights.
- Short-term commercial paper and bank CDs continue to offer value relative to both short and intermediate-term government securities.

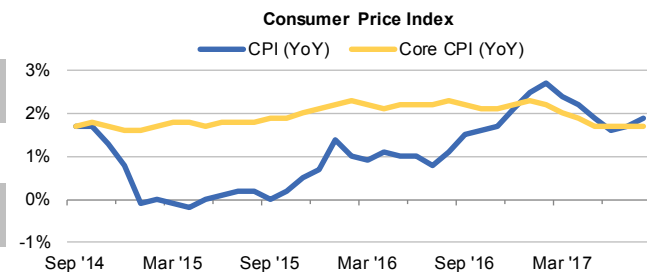
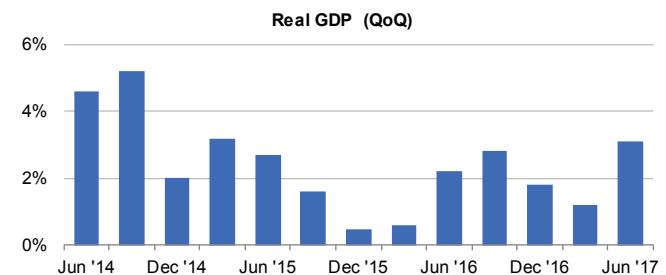
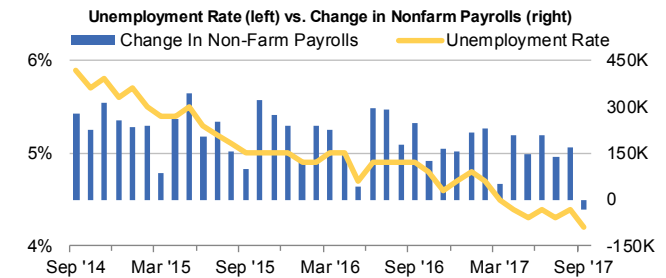
QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market		Latest	Jun '17	Sep '16
Unemployment Rate	Sep'17	4.2%	4.4%	4.9%
Change In Non-Farm Payrolls	Sep'17	-33,000	210,000	249,000
Average Hourly Earnings (YoY)	Sep'17	2.9%	2.5%	2.7%
Personal Income (YoY)	Aug'17	2.8%	2.7%	2.4%
Initial Jobless Claims (week)	10/7/17	243,000	250,000	247,000

Growth				
Real GDP (QoQ SAAR)	2017Q2	3.1%	1.2% ¹	2.2% ²
GDP Personal Consumption (QoQ SAAR)	2017Q2	3.3%	1.9% ¹	3.8% ²
Retail Sales (YoY)	Sep'17	4.4%	3.0%	3.1%
ISM Manufacturing Survey (month)	Sep'17	60.8	57.8	51.7
Existing Home Sales SAAR (month)	Aug'17	5.35 mil.	5.51 mil.	5.47 mil.

Inflation / Prices				
Personal Consumption Expenditures (YoY)	Aug'17	1.4%	1.4%	1.4%
Consumer Price Index (YoY)	Sep'17	2.2%	1.6%	1.5%
Consumer Price Index Core (YoY)	Sep'17	1.7%	1.7%	2.2%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$51.67	\$46.04	\$48.24
Gold Futures (oz.)	Sep 30	\$1,282	\$1,242	\$1,313



1. Data as of First Quarter 2017.

2. Data as of Second Quarter 2016.

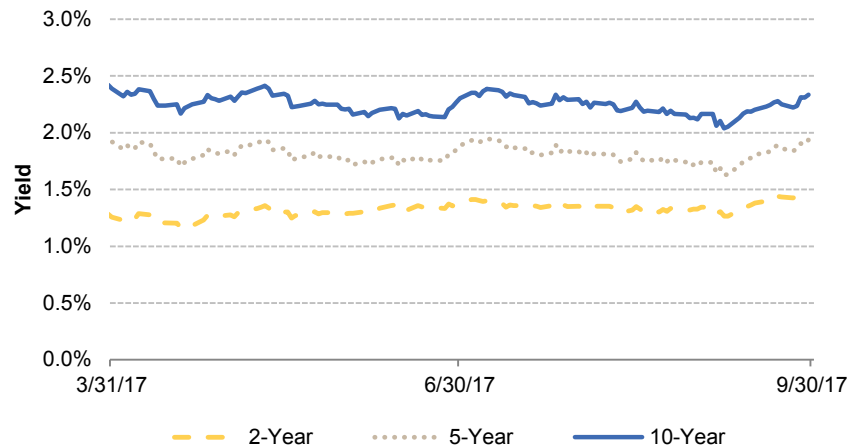
Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

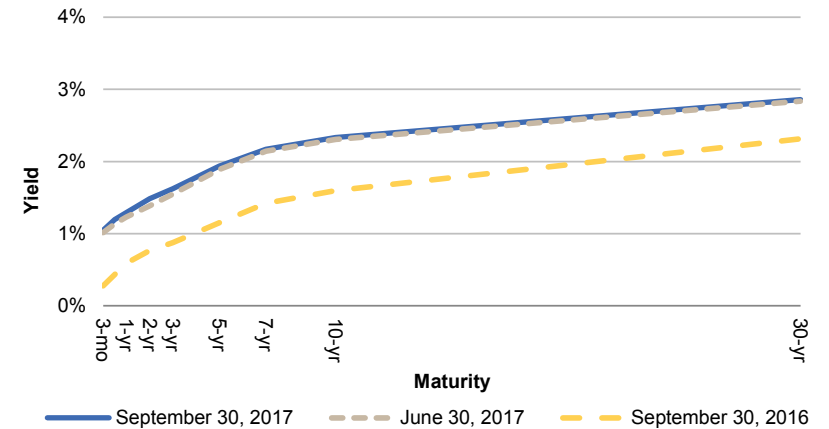
QUARTERLY MARKET SUMMARY

Interest Rate Overview

U.S. Treasury Note Yields



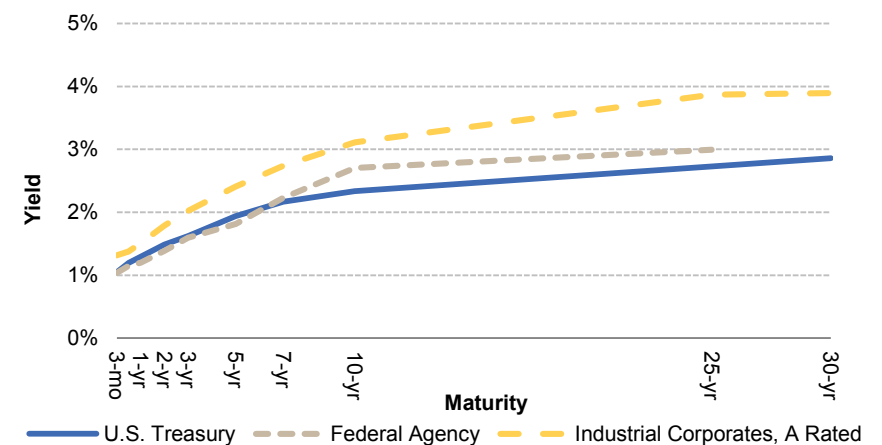
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Sep '17	Jun '17	Change over Quarter	Sep '16	Change over Year
3-month	1.05%	1.01%	0.04%	0.28%	0.77%
1-year	1.29%	1.23%	0.06%	0.59%	0.70%
2-year	1.49%	1.38%	0.11%	0.76%	0.73%
5-year	1.94%	1.89%	0.05%	1.15%	0.79%
10-year	2.33%	2.31%	0.02%	1.60%	0.73%
30-year	2.86%	2.84%	0.02%	2.32%	0.54%

Yield Curves as of 9/30/17



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

BofA Merrill Lynch Index Returns

September 30, 2017	As of 9/30/17		Returns for Periods ended 9/30/17		
	Duration	Yield	3 Months	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.81	1.47%	0.24%	0.24%	0.76%
Federal Agency	1.69	1.55%	0.28%	0.50%	0.91%
U.S. Corporates, A-AAA rated	1.84	1.93%	0.56%	1.43%	1.61%
Agency MBS (0 to 3 years)	2.30	1.94%	0.36%	0.42%	1.32%
Taxable Municipals	1.79	2.12%	1.02%	1.67%	2.13%
1-5 Year Indices					
U.S. Treasury	2.61	1.60%	0.29%	(0.06%)	1.20%
Federal Agency	2.12	1.63%	0.32%	0.38%	1.21%
U.S. Corporates, A-AAA rated	2.69	2.13%	0.69%	1.37%	2.18%
Agency MBS (0 to 5 years)	3.42	2.40%	0.58%	0.01%	1.83%
Taxable Municipals	2.48	2.26%	0.88%	1.24%	2.59%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.29	1.95%	0.39%	(1.74%)	2.19%
Federal Agency	3.87	1.89%	0.51%	0.02%	1.97%
U.S. Corporates, A-AAA rated	7.14	2.86%	1.18%	1.27%	3.83%
Agency MBS (0 to 30 years)	4.50	2.69%	0.92%	0.28%	2.41%
Taxable Municipals	10.84	3.73%	2.52%	1.11%	5.90%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices.

QUARTERLY MARKET SUMMARY

DISCLOSURES

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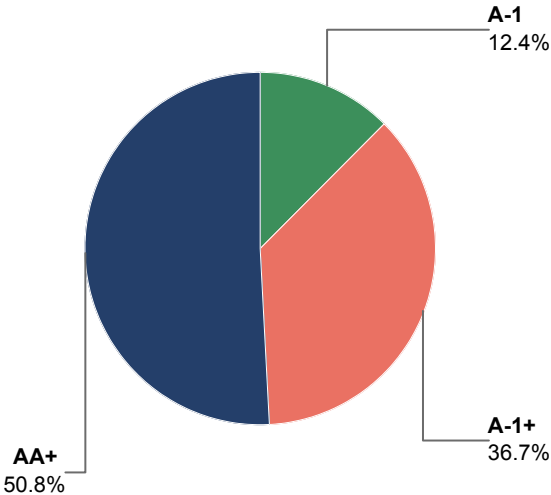


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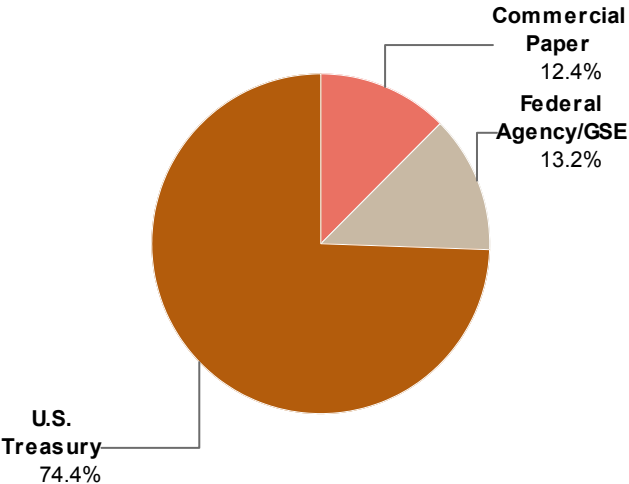
- ◆ The Portfolio is of high credit quality and invested in U.S. Treasury, federal agency, and commercial paper securities.
- ◆ The Impact Fee Portfolio provided the District with a yield to maturity at cost of 1.12% while the Short Term Portfolio's first quarter ending yield to maturity at cost was 1.23%.
- ◆ After three rate hikes since December 2016, the Federal Reserve (Fed) shifted gears and announced the beginning of their program to reduce the central bank's enormous balance sheet. The plan is to gradually reduce the Fed's securities holdings by decreasing its reinvestment of the principal payments on its large holdings of Treasury and agency mortgage-backed securities. This had little impact on our strategy as the process was telegraphed well in advance and will be gradual and predictable.
- ◆ Although low inflation is a conundrum, recent signaling from Fed officials boosted expectations for another rate hike this year, raising the market-implied probability of a December hike from 30% mid-Q3 to over 70%.
- ◆ Strong investor appetite for high-quality bonds generally caused the yield spreads on investment-grade fixed income sectors (relative to U.S. Treasuries) to tighten over the quarter, resulting in strong relative performance for corporates, mortgage-backed (MBS), asset-backed (ABS), municipal, and supranational securities.

Portfolio Statistics	
As of September 30, 2017	
Par Value:	\$20,425,000
Total Market Value:	\$26,464,765
Security Market Value:	\$20,396,359
Accrued Interest:	\$28,620
Cash:	\$6,039,786
Amortized Cost:	\$20,396,636
Yield at Market:	1.09%
Yield at Cost:	1.12%
Effective Duration:	0.20 Years
Duration to Worst:	0.20 Years
Average Maturity:	0.20 Years
Average Credit: *	AA

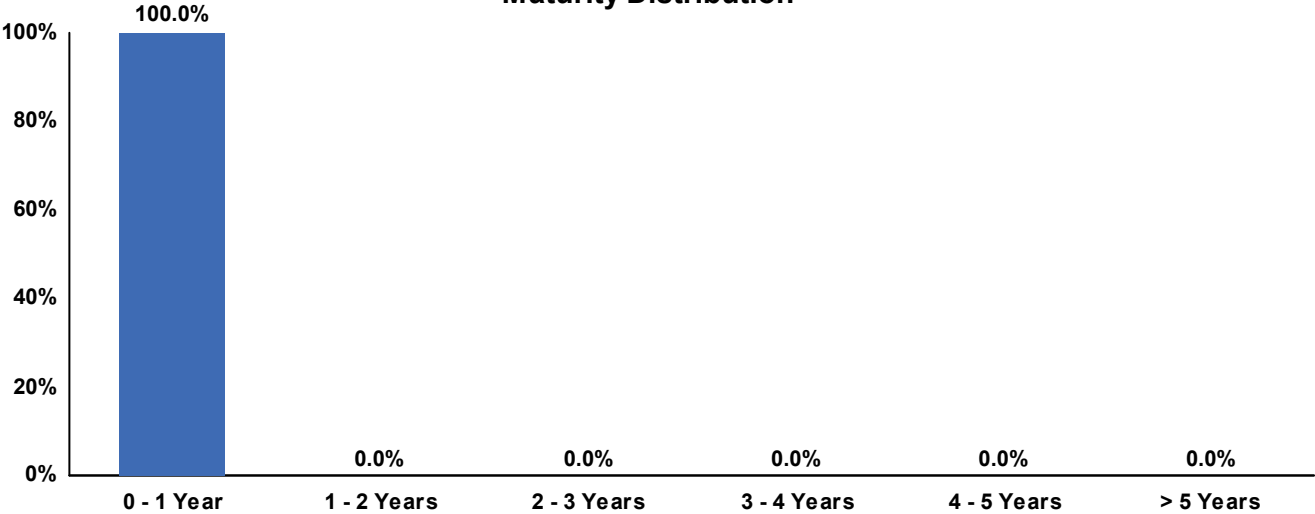
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



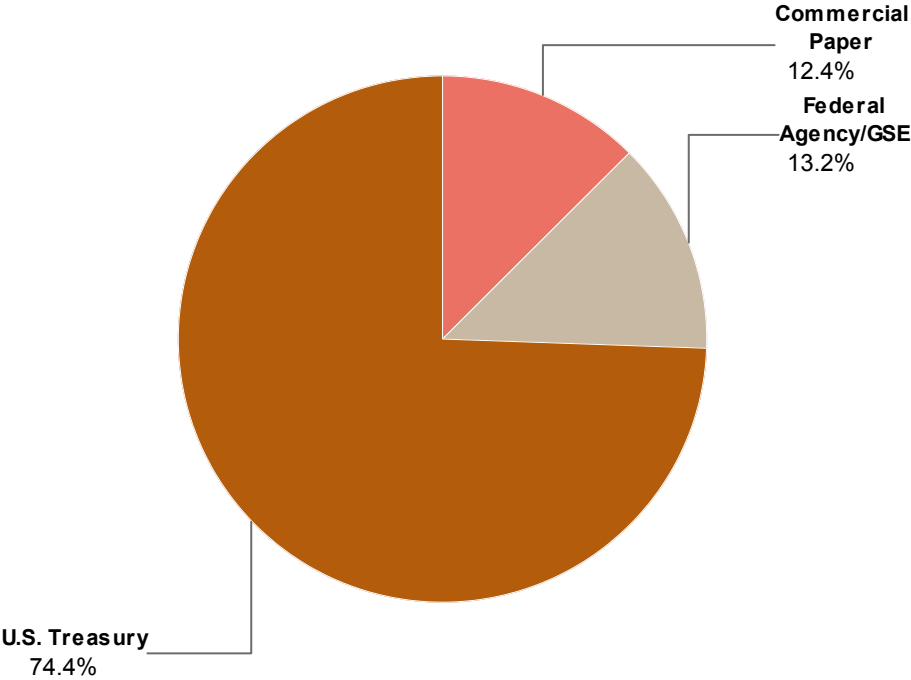
* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings**Quarter-Ended September 30, 2017**

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2017)	\$26,254,174.98	\$26,258,380.37
Net Purchases/Sales	(\$5,894,960.48)	(\$5,894,960.48)
Change in Value	\$37,144.41	\$33,216.54
Ending Value (09/30/2017)	\$20,396,358.91	\$20,396,636.43
Interest Earned	\$35,104.03	\$35,104.03
Portfolio Earnings	\$72,248.44	\$68,320.57

Sector Allocation
As of September 30, 2017

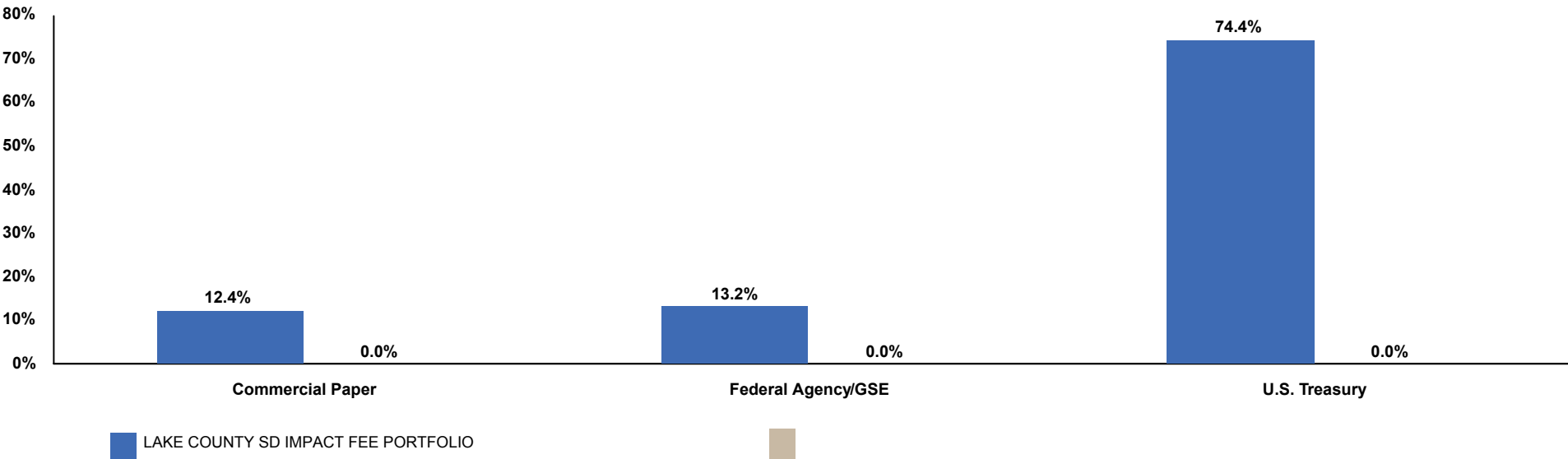
Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	15,164,077	74.4%
Federal Agency/GSE	2,695,498	13.2%
Commercial Paper	2,536,784	12.4%
Total	\$20,396,359	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of September 30, 2017

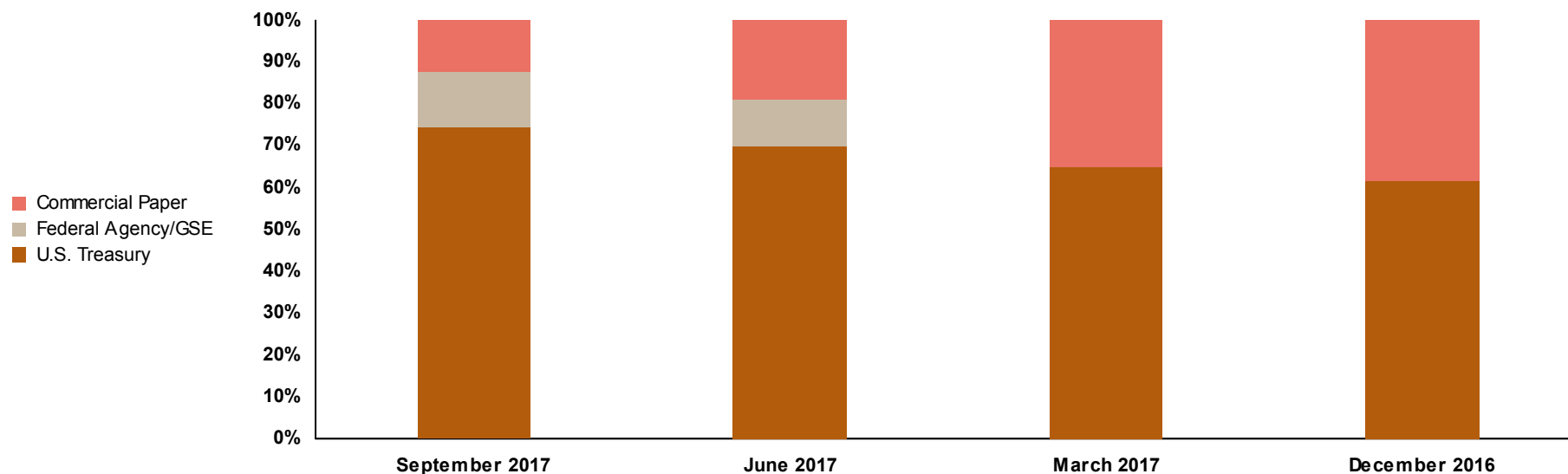
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	15,164,077	74.4%	-
Federal Agency/GSE	2,695,498	13.2%	-
Commercial Paper	2,536,784	12.4%	-
Total	\$20,396,359	100.0%	0.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	15.2	74.4%	18.3	69.6%	17.0	64.9%	12.0	61.5%
Federal Agency/GSE	2.7	13.2%	3.0	11.4%	0.0	0.0%	0.0	0.0%
Commercial Paper	2.5	12.4%	5.0	19.0%	9.2	35.1%	7.5	38.5%
Total	\$20.4	100.0%	\$26.3	100.0%	\$26.3	100.0%	\$19.5	100.0%

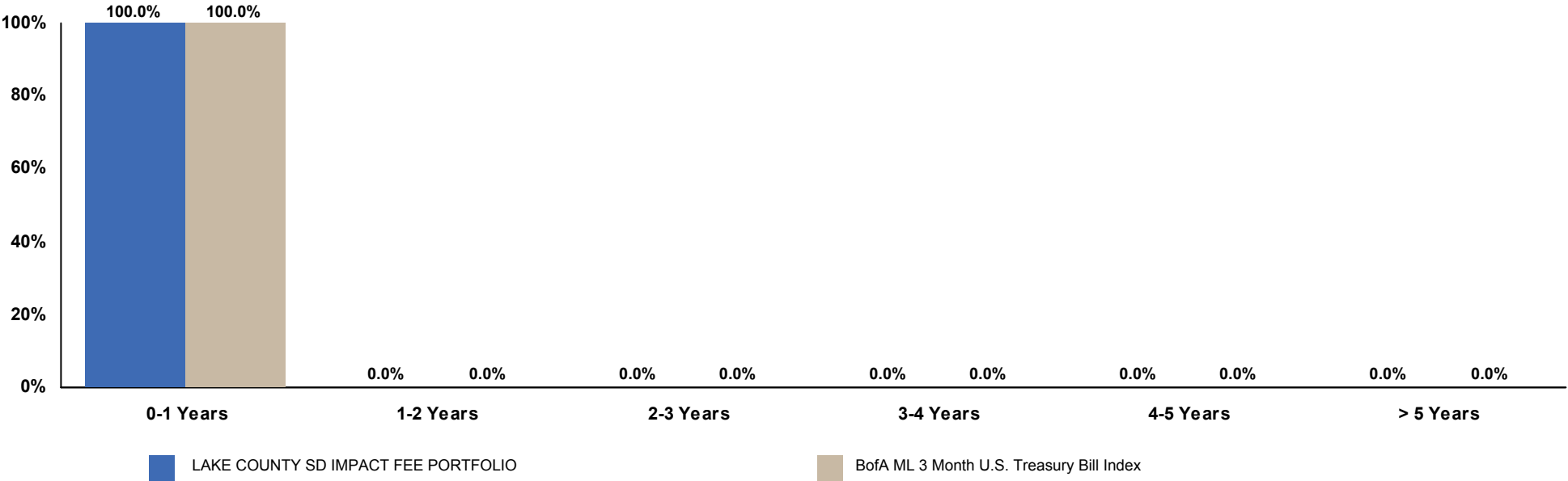


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Maturity Distribution

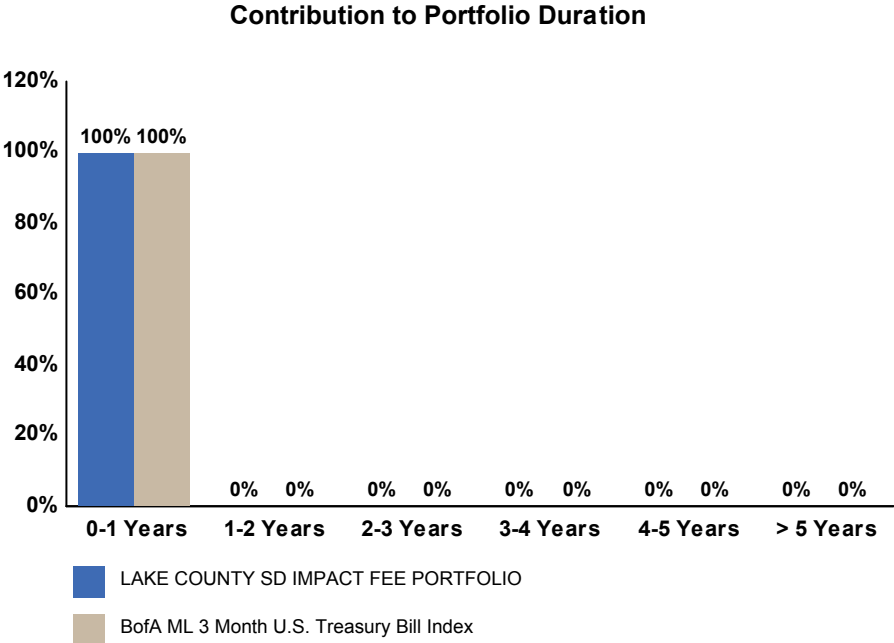
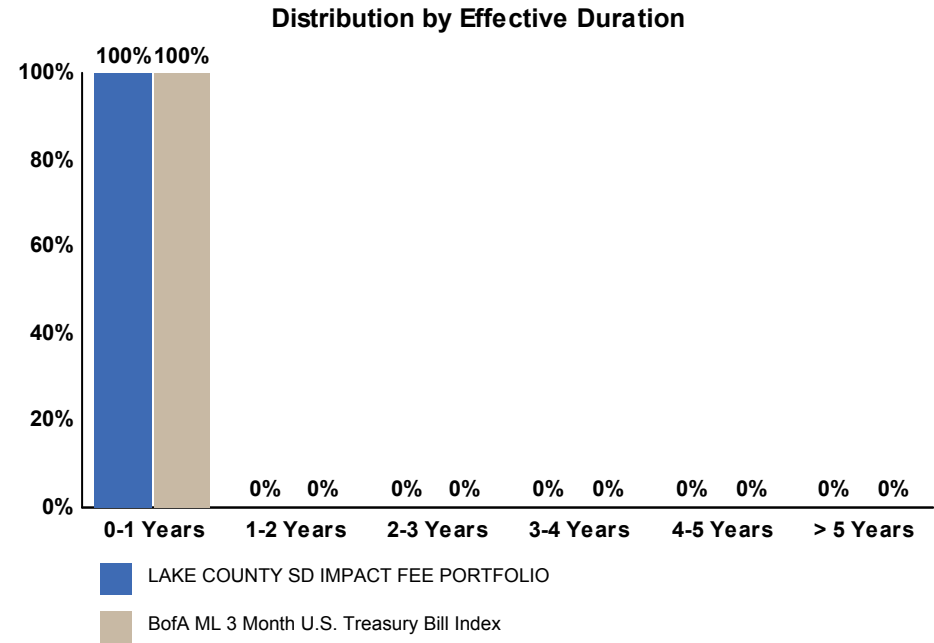
As of September 30, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
LAKE COUNTY SD IMPACT FEE PORTFOLIO	1.09%	0.20 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	1.05%	0.24 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



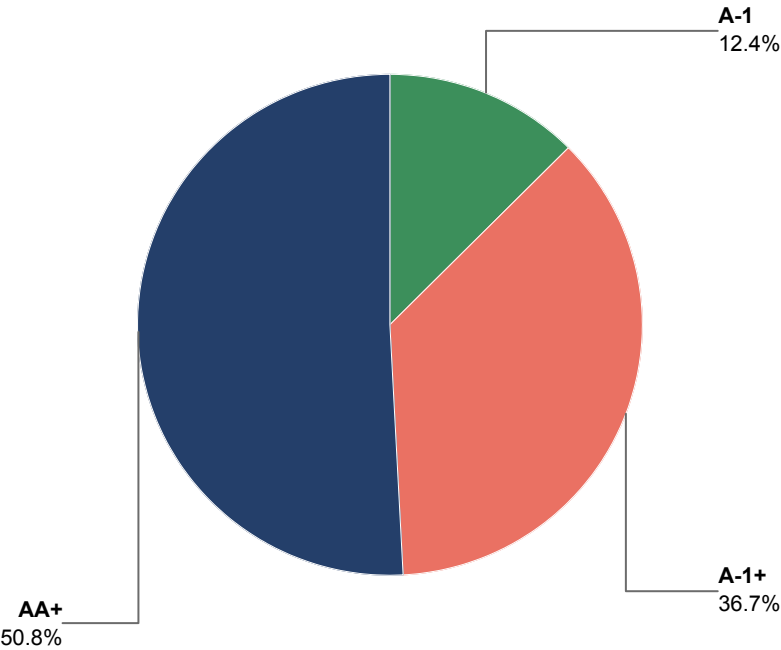
Duration Distribution
As of September 30, 2017

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
LAKE COUNTY SD IMPACT FEE PORTFOLIO	0.20	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	0.16	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Credit Quality
As of September 30, 2017

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$10,370,077	50.8%
A-1+	\$7,489,498	36.7%
A-1	\$2,536,784	12.4%
Totals	\$20,396,359	100.0%



Detail may not add to total due to rounding.

Issuer Distribution
As of September 30, 2017

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	15,164,077	74.3%
FEDERAL HOME LOAN BANKS	2,695,498	13.2%
BNP PARIBAS	994,409	4.9%
MITSUBISHI UFJ FINANCIAL GROUP INC	994,273	4.9%
CREDIT AGRICOLE SA	548,102	2.7%
Grand Total:	20,396,359	100.0%

Sector/Issuer Distribution

As of September 30, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BNP PARIBAS	994,409	39.2%	4.9%
CREDIT AGRICOLE SA	548,102	21.6%	2.7%
MITSUBISHI UFJ FINANCIAL GROUP INC	994,273	39.2%	4.9%
Sector Total	2,536,784	100.0%	12.4%
Federal Agency/GSE			
FEDERAL HOME LOAN BANKS	2,695,498	100.0%	13.2%
Sector Total	2,695,498	100.0%	13.2%
U.S. Treasury			
UNITED STATES TREASURY	15,164,077	100.0%	74.3%
Sector Total	15,164,077	100.0%	74.3%
Portfolio Total	20,396,359	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/19/17	7/20/17	1,100,000	912828P20	US TREASURY NOTE	0.75%	1/31/18	1,101,725.87	1.12%	
7/19/17	7/20/17	1,500,000	912796LY3	US TREASURY BILL	0.00%	10/19/17	1,495,905.00	1.08%	
7/31/17	7/31/17	5,025,000	912828G20	US TREASURY NOTES	0.87%	11/15/17	5,031,059.36	1.09%	
8/3/17	8/4/17	2,700,000	313385PU4	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	11/27/17	2,690,857.50	1.06%	
8/15/17	8/15/17	3,300,000	912796ME6	UNITED STATES TREASURY BILL	0.00%	11/30/17	3,290,284.85	0.99%	
8/25/17	8/25/17	1,000,000	09659CBM9	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	2/21/18	992,850.00	1.44%	
8/25/17	8/25/17	1,000,000	06538CBM2	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	2/21/18	992,900.00	1.43%	
8/30/17	8/31/17	550,000	22533UA37	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	1/3/18	547,517.36	1.31%	
Total BUY		16,175,000					16,143,099.94		
INTEREST									
7/3/17	7/3/17	0	MONEY0002	MONEY MARKET FUND			80.87		
7/15/17	7/15/17	1,750,000	912828H37	US TREASURY N/B	0.87%	1/15/18	7,656.25		
7/19/17	7/19/17	0	MONEY0002	MONEY MARKET FUND			39.18		
7/31/17	7/31/17	1,100,000	912828P20	US TREASURY NOTE	0.75%	1/31/18	4,125.00		
7/31/17	7/31/17	4,975,000	912828XP0	US TREASURY NOTE	0.62%	7/31/17	15,546.88		
8/1/17	8/1/17	0	MONEY0002	MONEY MARKET FUND			355.67		
8/11/17	8/11/17	0	MONEY0002	MONEY MARKET FUND			44.09		
8/15/17	8/15/17	2,980,000	912828D49	US TREASURY N/B	0.87%	8/15/17	13,037.50		
9/1/17	9/1/17	0	MONEY0002	MONEY MARKET FUND			207.71		
9/21/17	9/21/17	0	MONEY0002	MONEY MARKET FUND			45.22		
9/30/17	9/30/17	5,975,000	912828TS9	US TREASURY NOTES	0.62%	9/30/17	18,671.88		

LAKE COUNTY SD IMPACT FEE PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
Total INTEREST		16,780,000					59,810.25		
MATURITY									
7/12/17	7/12/17	2,500,000	06538BUC5	BANK TOKYO-MIT UFJ NY COMM PAPER	0.00%	7/12/17	2,500,000.00		0.00
7/31/17	7/31/17	4,975,000	912828XP0	US TREASURY NOTE	0.62%	7/31/17	4,975,000.00		0.00
8/2/17	8/2/17	3,000,000	313385JX5	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	8/2/17	3,000,000.00		0.00
8/15/17	8/15/17	2,980,000	912828D49	US TREASURY N/B	0.87%	8/15/17	2,980,000.00		0.00
8/25/17	8/25/17	2,500,000	46640PVR1	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	8/25/17	2,500,000.00		0.00
9/30/17	9/30/17	5,975,000	912828TS9	US TREASURY NOTES	0.62%	9/30/17	5,975,000.00		0.00
Total MATURITY		21,930,000					21,930,000.00		0.00
SELL									
7/21/17	7/21/17	50,000	912828XP0	US TREASURY NOTE	0.62%	7/31/17	50,141.76	1.05%	(5.76)
7/31/17	7/31/17	20,000	912828D49	US TREASURY N/B	0.87%	8/15/17	20,081.03	0.78%	(0.98)
8/31/17	8/31/17	25,000	912828TS9	US TREASURY NOTES	0.62%	9/30/17	25,056.53	1.05%	(0.60)
Total SELL		95,000					95,279.32		-7.34

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/3/17	7/3/17	0.00	MONEY0002	MONEY MARKET FUND			80.87		
MATURITY	7/12/17	7/12/17	2,500,000.00	06538BUC5	BANK TOKYO-MIT UFJ NY COMM PAPER	0.00%	7/12/17	2,500,000.00		0.00
INTEREST	7/15/17	7/15/17	1,750,000.00	912828H37	US TREASURY N/B	0.87%	1/15/18	7,656.25		
INTEREST	7/19/17	7/19/17	0.00	MONEY0002	MONEY MARKET FUND			39.18		
BUY	7/19/17	7/20/17	1,100,000.00	912828P20	US TREASURY NOTE	0.75%	1/31/18	(1,101,725.87)	1.12%	
BUY	7/19/17	7/20/17	1,500,000.00	912796LY3	US TREASURY BILL	0.00%	10/19/17	(1,495,905.00)	1.08%	
SELL	7/21/17	7/21/17	50,000.00	912828XP0	US TREASURY NOTE	0.62%	7/31/17	50,141.76	1.05%	(5.76)
BUY	7/31/17	7/31/17	5,025,000.00	912828G20	US TREASURY NOTES	0.87%	11/15/17	(5,031,059.36)	1.09%	
INTEREST	7/31/17	7/31/17	1,100,000.00	912828P20	US TREASURY NOTE	0.75%	1/31/18	4,125.00		
INTEREST	7/31/17	7/31/17	4,975,000.00	912828XP0	US TREASURY NOTE	0.62%	7/31/17	15,546.88		
MATURITY	7/31/17	7/31/17	4,975,000.00	912828XP0	US TREASURY NOTE	0.62%	7/31/17	4,975,000.00		0.00
SELL	7/31/17	7/31/17	20,000.00	912828D49	US TREASURY N/B	0.87%	8/15/17	20,081.03	0.78%	(0.98)
INTEREST	8/1/17	8/1/17	0.00	MONEY0002	MONEY MARKET FUND			355.67		
MATURITY	8/2/17	8/2/17	3,000,000.00	313385JX5	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	8/2/17	3,000,000.00		0.00
BUY	8/3/17	8/4/17	2,700,000.00	313385PU4	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	11/27/17	(2,690,857.50)	1.06%	
INTEREST	8/11/17	8/11/17	0.00	MONEY0002	MONEY MARKET FUND			44.09		
BUY	8/15/17	8/15/17	3,300,000.00	912796ME6	UNITED STATES TREASURY BILL	0.00%	11/30/17	(3,290,284.85)	0.99%	
INTEREST	8/15/17	8/15/17	2,980,000.00	912828D49	US TREASURY N/B	0.87%	8/15/17	13,037.50		
MATURITY	8/15/17	8/15/17	2,980,000.00	912828D49	US TREASURY N/B	0.87%	8/15/17	2,980,000.00		0.00
BUY	8/25/17	8/25/17	1,000,000.00	09659CBM9	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	2/21/18	(992,850.00)	1.44%	

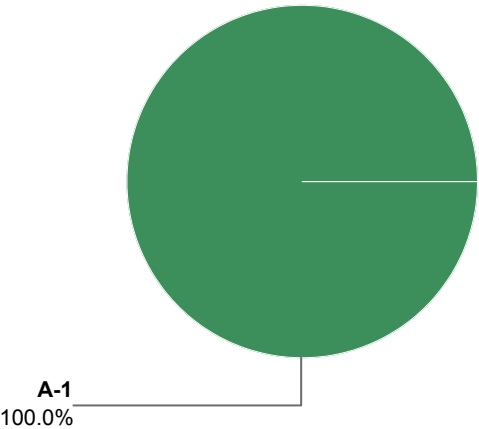
LAKE COUNTY SD IMPACT FEE PORTFOLIO

Portfolio Activity

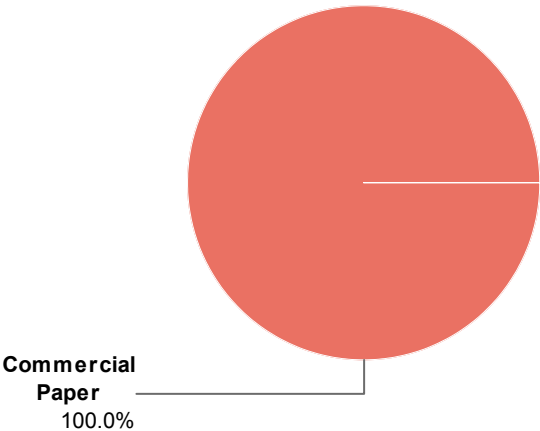
Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
BUY	8/25/17	8/25/17	1,000,000.00	06538CBM2	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	2/21/18	(992,900.00)	1.43%	
MATURITY	8/25/17	8/25/17	2,500,000.00	46640PVR1	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	8/25/17	2,500,000.00		0.00
BUY	8/30/17	8/31/17	550,000.00	22533UA37	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	1/3/18	(547,517.36)	1.31%	
SELL	8/31/17	8/31/17	25,000.00	912828TS9	US TREASURY NOTES	0.62%	9/30/17	25,056.53	1.05%	(0.60)
INTEREST	9/1/17	9/1/17	0.00	MONEY0002	MONEY MARKET FUND			207.71		
INTEREST	9/21/17	9/21/17	0.00	MONEY0002	MONEY MARKET FUND			45.22		
INTEREST	9/30/17	9/30/17	5,975,000.00	912828TS9	US TREASURY NOTES	0.62%	9/30/17	18,671.88		
MATURITY	9/30/17	9/30/17	5,975,000.00	912828TS9	US TREASURY NOTES	0.62%	9/30/17	5,975,000.00		0.00
TOTALS								5,941,989.63		(7.34)

Portfolio Statistics	
As of September 30, 2017	
<hr/>	
Par Value:	\$5,000,000
Total Market Value:	\$5,140,931
Security Market Value:	\$4,998,795
Accrued Interest:	-
Cash:	\$142,136
Amortized Cost:	\$4,999,151
Yield at Market:	1.45%
Yield at Cost:	1.23%
Effective Duration:	0.02 Years
Duration to Worst:	0.02 Years
Average Maturity:	0.02 Years
Average Credit: *	A

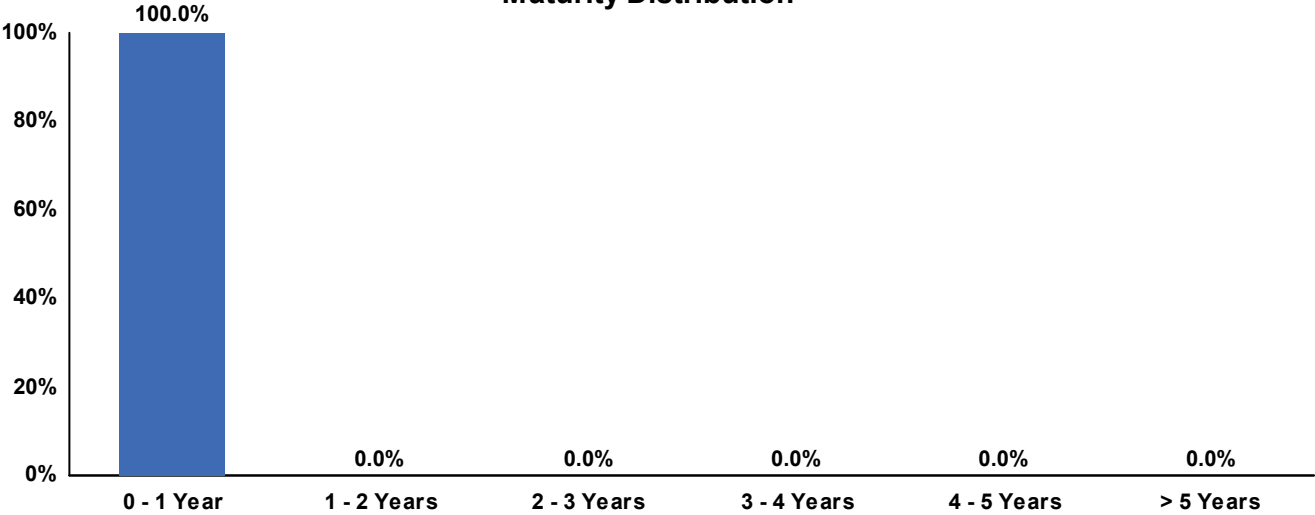
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

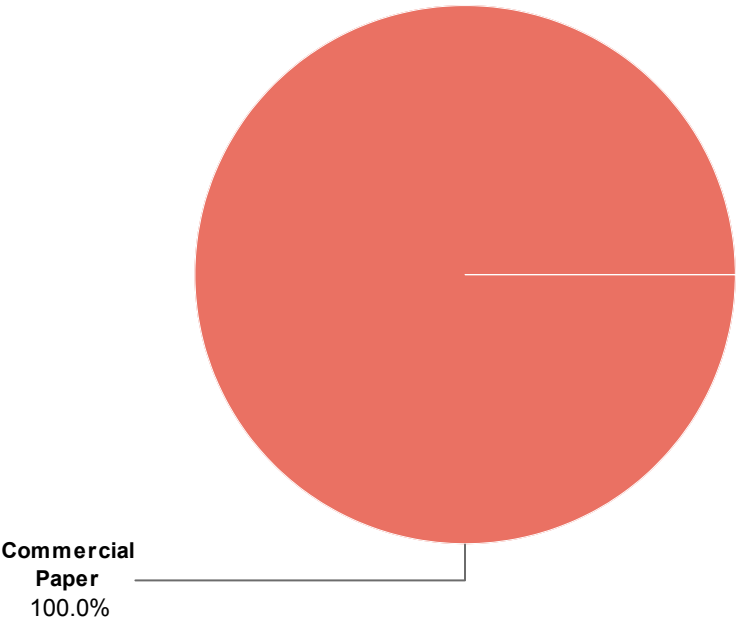
Portfolio Earnings

Quarter-Ended September 30, 2017

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2017)	\$29,944,075.00	\$29,946,188.45
Net Purchases/Sales	(\$25,000,000.00)	(\$25,000,000.00)
Change in Value	\$54,720.00	\$52,962.50
Ending Value (09/30/2017)	\$4,998,795.00	\$4,999,150.95
Interest Earned	\$2,575.13	\$2,575.13
Portfolio Earnings	\$57,295.13	\$55,537.63

Sector Allocation
As of September 30, 2017

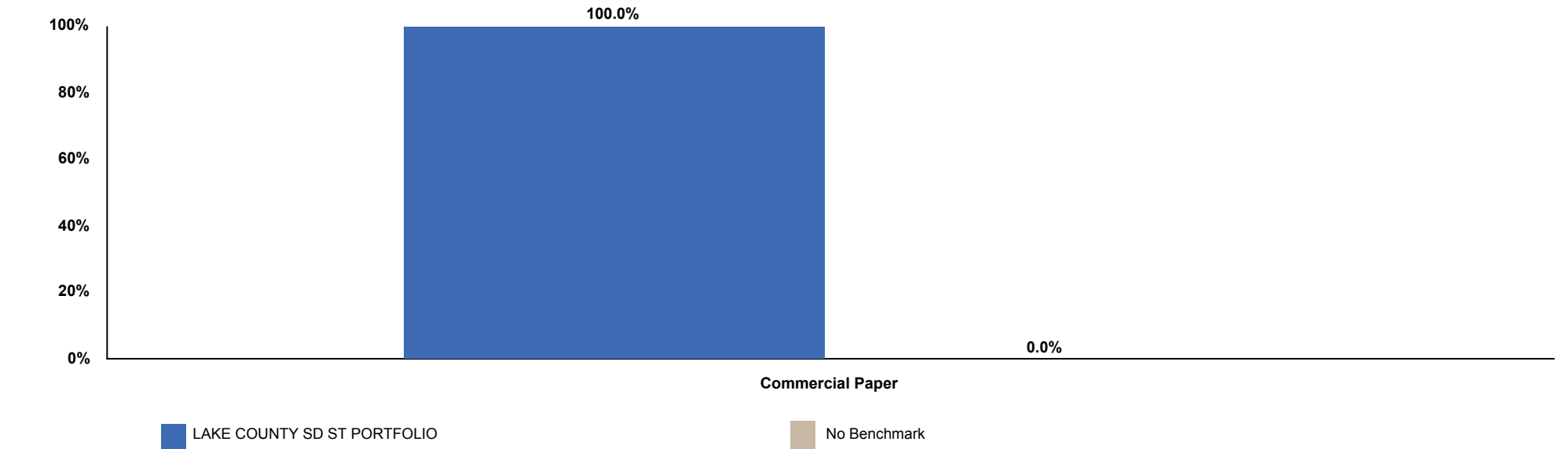
Sector	Market Value (\$)	% of Portfolio
Commercial Paper	4,998,795	100.0%
Total	\$4,998,795	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of September 30, 2017

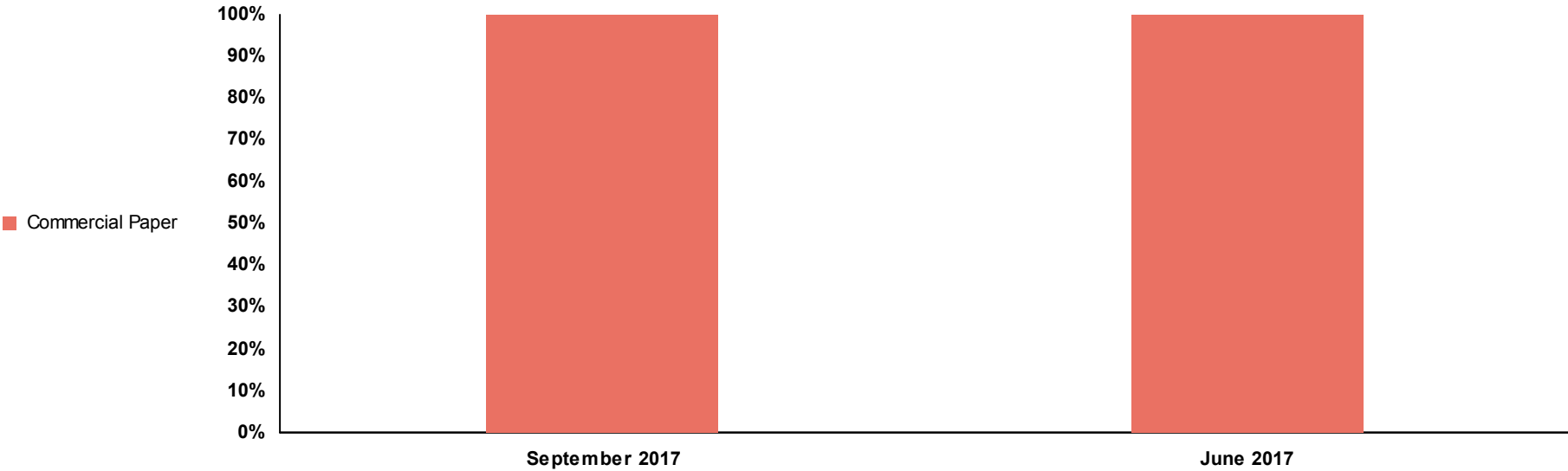
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Commercial Paper	4,998,795	100.0%	-
Total	\$4,998,795	100.0%	0.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Commercial Paper	5.0	100.0%	29.9	100.0%	0.0	0.0%	0.0	0.0%
Total	\$5.0	100.0%	\$29.9	100.0%	\$0.0	0.0%	\$0.0	0.0%

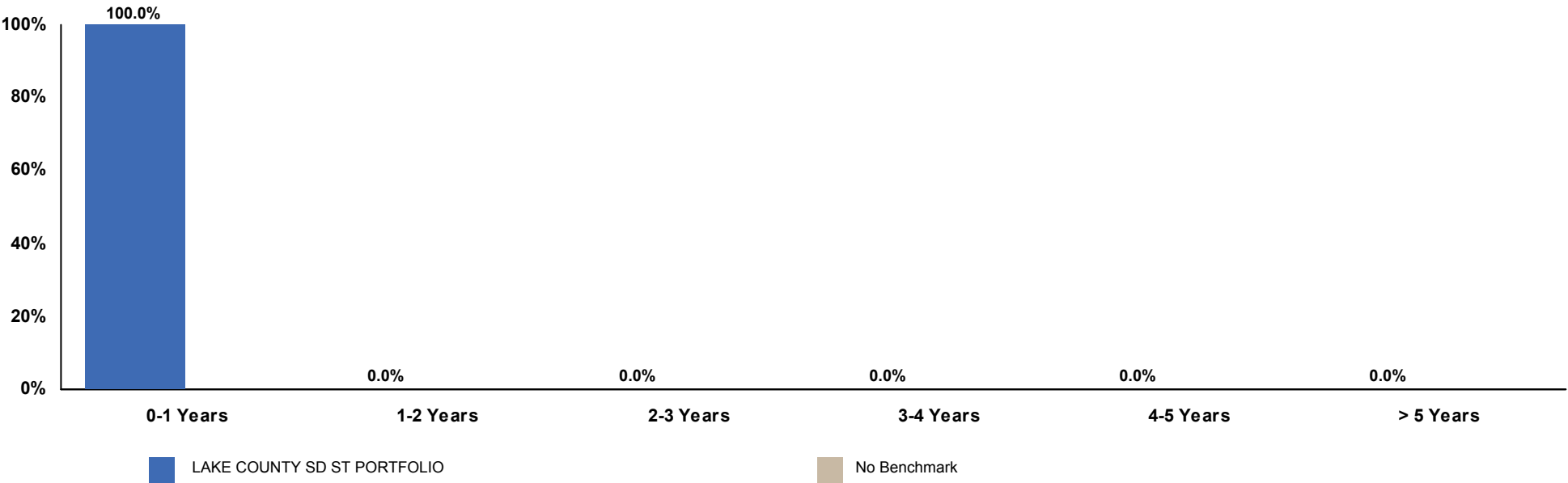


Detail may not add to total due to rounding.

Maturity Distribution

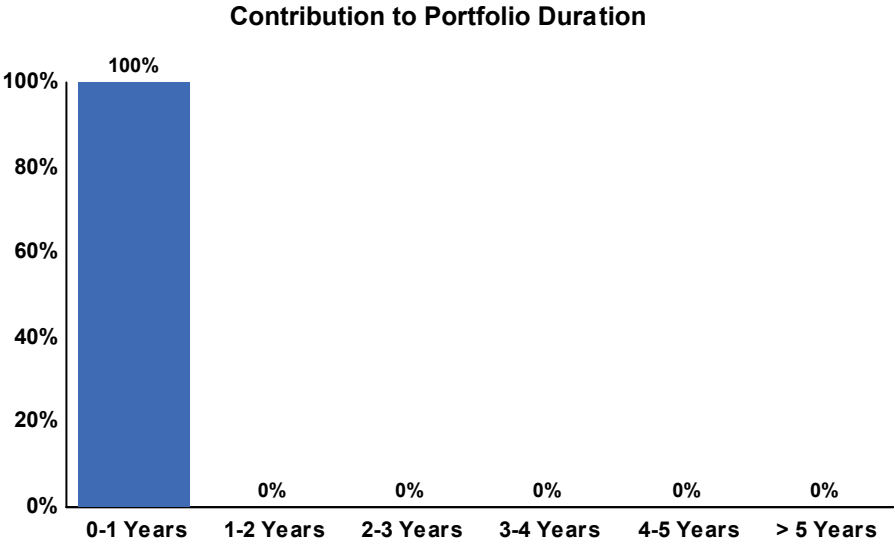
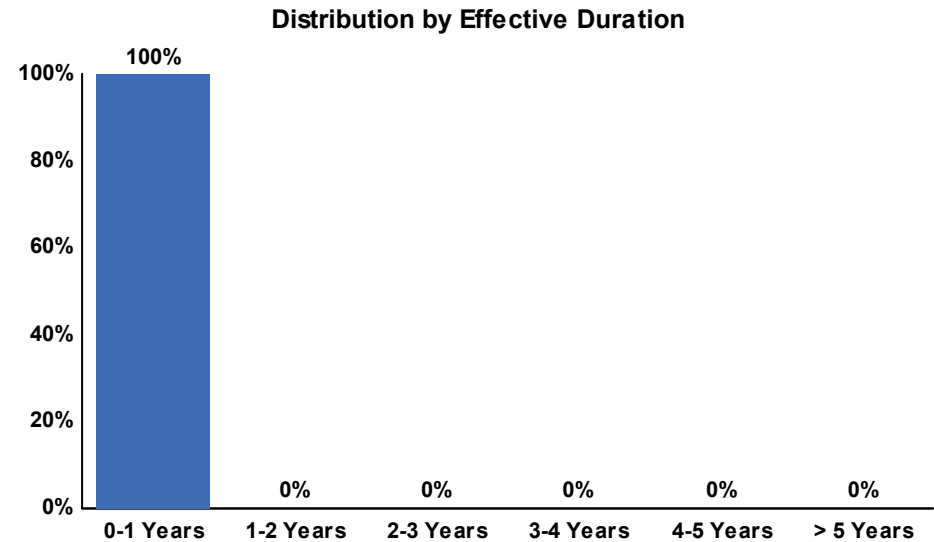
As of September 30, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
LAKE COUNTY SD ST PORTFOLIO	1.45%	0.02 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
No Benchmark								



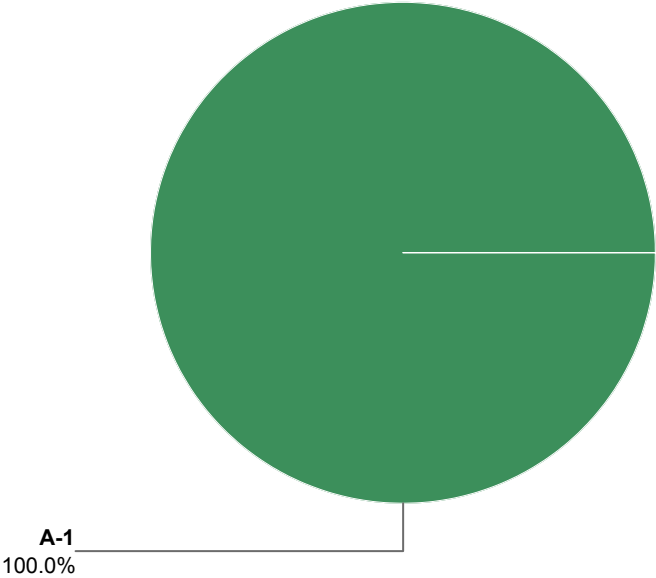
Duration Distribution
As of September 30, 2017

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
LAKE COUNTY SD ST PORTFOLIO	0.02	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Credit Quality
As of September 30, 2017

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$4,998,795	100.0%
Totals	\$4,998,795	100.0%



Detail may not add to total due to rounding.

Issuer Distribution
As of September 30, 2017

Issuer	Market Value (\$)	% of Portfolio
BANK OF MONTREAL	4,998,795	100.0%
Grand Total:	4,998,795	100.0%

Sector/Issuer Distribution

As of September 30, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BANK OF MONTREAL	4,998,795	100.0%	100.0%
Sector Total	4,998,795	100.0%	100.0%
Portfolio Total	4,998,795	100.0%	100.0%

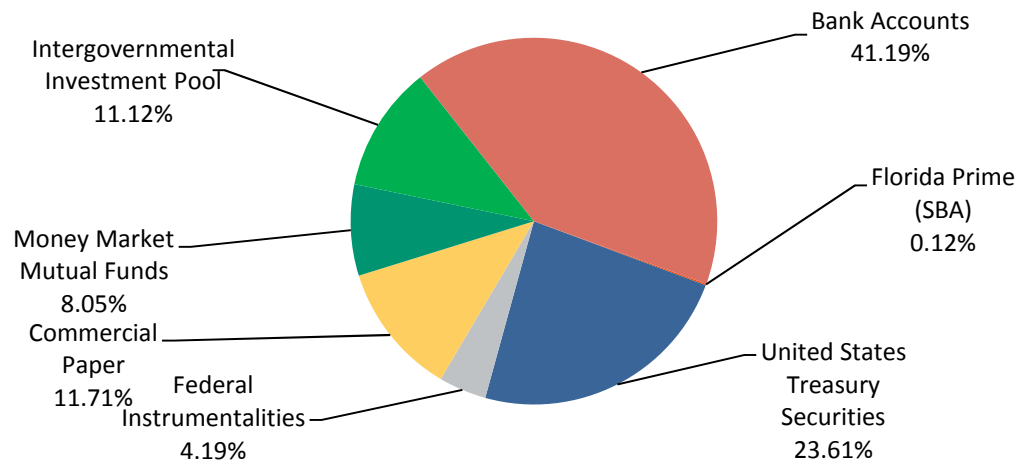
Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
7/3/17	7/3/17	0	MONEY0002	MONEY MARKET FUND			56.75		
8/1/17	8/1/17	0	MONEY0002	MONEY MARKET FUND			1,142.05		
9/1/17	9/1/17	0	MONEY0002	MONEY MARKET FUND			1,376.33		
Total INTEREST		0					2,575.13		
MATURITY									
7/19/17	7/19/17	5,000,000	06538BUK7	BANK TOKYO-MIT UFJ NY COMM PAPER	0.00%	7/19/17	5,000,000.00		0.00
8/7/17	8/7/17	5,000,000	89233GV78	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	8/7/17	5,000,000.00		0.00
8/18/17	8/18/17	5,000,000	22533TVJ2	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	8/18/17	5,000,000.00		0.00
8/18/17	8/18/17	5,000,000	09659BVJ6	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	8/18/17	5,000,000.00		0.00
9/15/17	9/15/17	5,000,000	46640PWF6	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	9/15/17	5,000,000.00		0.00
Total MATURITY		25,000,000					25,000,000.00		0.00

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/3/17	7/3/17	0.00	MONEY0002	MONEY MARKET FUND			56.75		
MATURITY	7/19/17	7/19/17	5,000,000.00	06538BUK7	BANK TOKYO-MIT UFJ NY COMM PAPER	0.00%	7/19/17	5,000,000.00		0.00
INTEREST	8/1/17	8/1/17	0.00	MONEY0002	MONEY MARKET FUND			1,142.05		
MATURITY	8/7/17	8/7/17	5,000,000.00	89233GV78	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	8/7/17	5,000,000.00		0.00
MATURITY	8/18/17	8/18/17	5,000,000.00	22533TVJ2	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	8/18/17	5,000,000.00		0.00
MATURITY	8/18/17	8/18/17	5,000,000.00	09659BVJ6	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	8/18/17	5,000,000.00		0.00
INTEREST	9/1/17	9/1/17	0.00	MONEY0002	MONEY MARKET FUND			1,376.33		
MATURITY	9/15/17	9/15/17	5,000,000.00	46640PWF6	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	9/15/17	5,000,000.00		0.00
TOTALS								25,002,575.13		0.00

Tab III



Security Type ¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Florida Prime (SBA)	79,683.01	0.12%		25%	YES
United States Treasury Securities	15,192,976.08	23.61%		100%	YES
United States Government Agency Securities	-	0.00%		50%	YES
Federal Instrumentalities	2,695,468.48	4.19%	2	80%	YES
Mortgage-Backed Securities	-	0.00%	2	20%	YES
Certificates of Deposit or Savings Account	-	0.00%		25%	YES
Repurchase Agreements	-	0.00%		50%	YES
Commercial Paper	7,535,963.16	11.71%		35%	YES
Corporate Notes	-	0.00%		0%	YES
Bankers' Acceptances	-	0.00%		35%	YES
State and/or Local Government Debt	-	0.00%		20%	YES
Money Market Mutual Funds	5,181,394.95	8.05%		50%	YES
Intergovernmental Investment Pool	7,157,863.38	11.12%		25%	YES
Bank Accounts	26,509,322.64	41.19%		100%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 80%. The combined total as of September 30, 2017 is 4.19%.

Individual Issuer Breakdown¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%		25%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		40%	YES
Federal Home Loan Bank (FHLB)	2,695,468.48	4.19%		40%	YES
Federal National Mortgage Association (FNMA)	-	0.00%		40%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	-	0.00%		40%	YES
Bank of Montreal Chicago Commercial Paper	4,999,150.95	7.77%		10%	YES
Bank of Tokyo Mitsubishi Commercial Paper	994,359.44	1.55%		10%	YES
BNP Paribas Commercial Paper	994,319.72	1.55%		10%	YES
Credit Agricole Commercial Paper	548,133.05	0.85%		10%	YES
Cash Balance	26,509,322.64	41.19%		100%	YES
Florida Education Investment Trust Fund	7,157,863.38	11.12%		25%	YES
Money Market Fund	5,181,394.95	8.05%		25%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.